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2005 SEP 22 AM 9 50

September 19, 2005

FDIC – San Francisco Regional Office
Director John F. Carter
25 Jesse Street at Ecker Square, Suite 2300
San Francisco, CA 94105

RE: Application for Wal-Mart to receive FDIC insurance coverage

Dear Director Carter:

The purpose of this letter is to state our opposition to Wal-Mart's application for FDIC insurance for its industrial loan company in Utah. As a community banker and as past chairman of the Nebraska Bankers Association, I believe the issuance of FDIC insurance coverage would set bad public policy.

Congress stressed in the passage of Gramm-Leach-Bliley its opposition to the mixing of banking and commerce. Without a doubt the entry of Wal-Mart to the banking arena could jeopardize the impartial allocation of credit and create many conflicts of interest.

Even though the Wal-Mart ILC application in Utah does not seek broad banking powers, conventional wisdom would conclude that broader powers will be sought in the future. This reminds me of the story of the camel getting its nose under the tent. The structure and soundness of the banking industry in our country could be adversely impacted by the entry of Wal-Mart to full-service banking. All we have to do is look to see how retail has changed in many communities following the Wal-Mart presence. I also believe the potential size of a Wal-Mart banking operation would represent an unhealthy concentration of economic power.

I respectfully request that you deny the application for FDIC insurance for the industrial loan company owned by Wal-Mart. Thank you for your time and attention.

Sincerely,

Matthew H. Williams
President

MHW/rf